

Date Mailed
October 7, 1999

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation on the Commission's Own Motion Into the
Definition of Natural Gas Essential Use Customers and the
Requirements for Backup Service for City Gas Company;
Florence Municipal Gas Utility; Madison Gas and Electric
Company; Midwest Natural Gas, Inc.; Northern States Power
Company; St. Croix Valley Natural Gas Company; Superior
Water Light and Power Company; Wisconsin Electric
Company, Gas Business Unit; Wisconsin Fuel and Light
Company; Wisconsin Gas Company; Wisconsin Power and
Light Company; and Wisconsin Public Service Corporation

05-GI-111

**NOTICE OF PROCEEDING
AND
INVESTIGATION AND ASSESSMENT OF COSTS
AND
PREHEARING CONFERENCE**

Prehearing Conference Date:	Tuesday, November 2, 1999 – 9:30 a.m.
Conference Location:	Public Service Commission, 610 North Whitney Way, Madison, WI (Amnicon Falls Hearing Room - 1st Floor)

THIS IS A PROCEEDING to reconsider the Commission's current definition of essential use facilities and the requirements for backup service. This proceeding is initiated under Wis. Stats. §§ 196.02(1), 196.03(1), 196.28 and 196.37.

On July 9, 1987, in docket 05-GI-102, the Enunciation of Principles, the Public Service Commission (Commission) issued its first formal policy in response to FERC rules regarding the transportation of natural gas supplies. The first principle, Availability of Transportation, stated that: "It is in the public interest to provide maximum opportunity for all Wisconsin citizens to benefit from the natural gas markets. Therefore, transportation should not be foreclosed to anyone." However, the Commission sought protection for a special group of customers that it referred to as "essential use" customers who, because of their service to the public, required a higher standard of reliability than what was perceived as obtainable in the marketplace.

Essential service facilities or essential use customers are defined on page 22 of the Enunciation of Principles as "facilities, such as schools, hospitals, nursing homes, and similar institutions." In addition, governmental bodies can determine other facilities as essential use facilities for the purpose of receiving high priority to natural gas service.

The natural gas industry has evolved substantially since the issuance of the Enunciation of Principles. There have also been changes in the Commission's approach to various issues during this time. In its rulings in dockets 05-GI-103 and 05-GI-105, the Commission reduced backup requirements. In docket 05-GI-110, the Commission found that it was no longer reasonable or necessary to designate any non-residential school facility as an essential use facility for the purposes of transporting natural gas, provided that such facility receives firm distribution service from the LDC.

The Commission at its January 13, 1998, open meeting instructed staff to prepare a notice of investigation and hearing into all issues relating to essential use, including items such as the continued need for the essential use designation, which institutions should be subject to its requirements if it is continued and what form these requirements should take.

NOTICE IS GIVEN that the Commission will hold a prehearing conference on Tuesday, November 2, 1999, at 9:30 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

The Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the utilities named in the caption. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the utilities in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

The prehearing conference is being held to: 1) rule on requests to become parties; 2) identify issues; 3) determine the date and time for a hearing; 4) specify dates for filing testimony and exhibits; and 5) any other matters that will facilitate the hearing.

Parties will be bound by the designation of issues and the schedule adopted at the prehearing conference. Parties are the utilities named in the caption of this Notice. Any other person desiring to become a party shall file a request with the Administrative Law Judge Jeffry Patzke, pursuant to Wis. Stats. § 227.44(2m).

This is not a contested case but will be conducted according to the procedures for Class 1 proceedings as defined in Wis. Stat. § 227.01(3)(a).

Docket 05-GI-111

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director at (608) 267-0912.

Questions regarding this matter may be directed to case coordinator Robert C. Bauer at (608) 266-7686.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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